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# SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: RENEWAL OF THE DIALOGUE ON STRENGTHENING INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT THROUGH PARTNERSHIP

## Letter dated 24 November 1997 from the Permanent Representatives of Colombia and Sweden to the United Nations addressed to the Secretary-General

We have the honour to transmit to you the text of the Co-Chairs' statement from a seminar on "International Solidarity and Globalisation: In Search of New Strategies",* held on 27 and 28 October 1997 at Stockholm, Sweden, under the joint chairmanship of Sweden and Colombia.

We would be grateful if this letter and its attachment could be circulated as an official document of the General Assembly under agenda item 97 (a).

(Signed) Hans DAHLGREN
Ambassador
Permanent Representative of
Sweden

(Signed) Julio LONDONO-PAREDES
Ambassador
Permanent Representative of
Colombia

* Circulated in the language of submission only.

**International Solidarity and Globalisation**
*In Search of New Strategies*

# RENEWING INTERNATIONAL SOLIDARITY

## *Our Approach to Shaping Globalisation*

*Co-chairs' Closing Statement*
*Stockholm, 28 October, 1997*

seminar arranged by
the Swedish Government
and the Colombian Presidency
of the Non-Aligned Movement
**Stockholm, October 27-28, 1997**

# RENEWING INTERNATIONAL SOLIDARITY

*OUR APPROACH TO SHAPING GLOBALISATION*

## Co-chairs' Closing Statement from a Seminar on *"International Solidarity and Globalisation: In Search of New Strategies"*

Stockholm, 27-28 October 1997

**Winds of change** are blowing all over our planet. Societies are transforming rapidly and profoundly, and with them relations between the world's people. Ever greater numbers of people live in open societies and share in economic progress. Yet with new opportunities come also new challenges. We share a concern to respond to new patterns of injustice and powerlessness. We share a commitment to expand the life opportunities of everyone, to empower people to shape their own futures and to enable nations and their common institutions to effectively deal with issues of global concern.

Rapid growth in trade and international capital flows, continuous technological progress and an exponential increase in the exchange of information are today transforming the global scene as dramatically as once the industrial revolution. Increasingly a shared social space emerges. Decisions and developments in one region of the world may today have immediate and far-reaching consequences for the lives of individuals and communities in another.

National change and global exchange have led to economic development prospects of considerable magnitude. As hundreds of millions of people take the step out of extreme poverty, this potential offers hope to the world's poor. Simultaneously, however, new patterns of exclusion and inequality have appeared. Marginalisation, insecurity and powerlessness is the

real consequence for many. The very rhythm and scale of the transformations seemingly surpass the capacity of national governments and politics to shape and influence the process.

Globalisation means the deepening of world-wide interdependency, so that people who want to be in power and shape their futures - in their local communities and nations - will also have to act globally. In other words, globalisation is a challenge to the way political power is exercised.

**In a globalised world** democratic norms and institutions are particularly important to international solidarity. Democracy and good governance, both nationally and internationally, are necessary attributes to shape globalisation. Their absence diminishes the potential of globalisation and is therefore the legitimate concern of all.

We share both the optimism and the deep concern, the hopes and the fears. It is our conviction that globalisation can and should be shaped according to the needs of the world's people. There is choice - and alternative models for development should be explored.

Ethics must not be left in a separate realm but should be planted into the very core of international integration. International solidarity - a global civic ethic inspiring common responsibility - must guide our societies. Globalisation must be transformed into a process of inclusion, not one of exclusion. The global economy will not survive in a chaotic world of poverty, conflicts and exclusion. Nor will humanism.

The Swedish Government and the Presidency of the Non-Aligned Movement convoked this seminar attended by politicians and experts to deepen the debate about globalisation and to suggest ways to renew international solidarity. The following themes were of particular concern:

- free trade and international capital flows;
- social challenges for the market economy;
- the spread and transformation of democratic systems globally, regionally nationally and locally;
- the need for stronger international institutions, in particular to achieve coherence and leadership in global economic governance.

• Globalisation underlines the need as well as the opportunity for a stronger civil society and the institutional framework of democratic governance at all levels: local, national, regional and global. Democratic culture and institutions clearly cannot take the same form everywhere and at all levels. To be efficient at one level, however, the system more than ever needs democratic institutions at all the other levels. The international level thus needs to be improved in order to help the national democratic system gain strength and deliver what the constituency demands. Conversely, local civil societies have a major role to play in shaping globalisation.

• Global competition means an ever-increasing need for nations, companies and other economic agents to fully realize their comparative advantages in order to enhance international market competetiveness. However, this should be achieved without weakening human rights or undermining the ethical values without which democracy cannot be sustained. In other words, how comparative advantage is created should matter. At the same time, concern was expressed that this principle should not be misused as a method to maintain or establish trade barriers.

• Freedom for international capital movement is an important component of economic competition and efficiency. That freedom brings with it major responsibilities. Financial volatility should not be permitted to endanger the socio-economic stability or competitiveness of entire nations and regions. In this context the possibility of different mechanisms - such as large margin requirements in derivatives trading - as disincentives to large-scale financial transactions of a speculative character were discussed.

•Globalisation is not only an economic phenomenon, but the lack of coherence and leadership in global economic governance is striking. The United Nations, the international financial institutions, the World Trade Organisation, cooperation in the fields of environment, energy and water, regional organisations and many other institutions combine to offer instruments to ensure the kind of economic development and integration the world needs. Ways to achieve the necessary

interaction, leadership and coherence were discussed, including the idea of an Economic Security Council, anchored in the United Nations.

• The multilateral system faces a series of financing problems: the UN financial crisis, the diminishing funding for its operational development activities and disturbances in the replenishments of multilateral development funds. The unprecedented fall in aid levels needs to be reversed and new partnerships with developing countries created. Ways of financing global public goods need to be developed.

• The crucial role of the private sector in the process of globalisation and development should be recognised. Special emphasis should be given to actively involve the business communities as partners for development. In this context, the establishment of public-private partnerships and incentives for socially responsible investments should be promoted as well as a broad dialogue on ethics.

**The overriding conclusion** from this seminar is a demanding imperative:

Today's international norms and multilateral institutions need to be developed into institutions that can enable global and democratic governance for the 21st century.

To this end, we will promote dialogue and action at all levels:

*In our own countries*, it is a high-priority task to inspire a deeper and more creative discussion of the different aspect of globalisation and the need for action. Governments, academics, the business community, trade unions, civic organisations and other parts of civil society need to interact to focus on long term interests and decisions. Political leaders must build on shared values to make enlightened and common interests prevail, when societies are tested for their ability to meet both domestic and global needs.

*In regional and other country groupings*, nations need to come together in open ways to deal with some of the most promising and pressing aspects of integration. The dynamic regional cooperation emerging all over the world offers participating countries new opportunities. Most aspects of these trends are welcome. Others carry risk. Ensuring a harmonious and mutually supportive relation between regional and world organisations is an integral part of modernising global governance.

*The European Union's* efforts to strengthen its economic and political relations with other regions should be encouraged, with the aim of enhancing the positive prospects offered by globalisation. Enlargement of the European Union is one obvious task. The upcoming Lomé negotiations between the EU and African, Caribbean and Pacific countries provide an important opportunity to establish a forward-looking partnership. Forthcoming summits with Asian, Latin American and African countries can provide much needed political impetus for a common approach to the challenges of globalisation.

*The Non-Aligned Movement*, comprising 80 percent of humankind, promotes the creation of a new global human order aimed at reversing the growing disparities between the rich and the poor, both among and between countries, through the reduction of poverty, the expansion of productive employment and the enhancement of social integration. The NAM countries pursue a dialogue between industrialised and developing nations, aimed at strengthening international cooperation on the most relevant issues of a global nature. Sweden shares these objectives.

*The United Nations system* is the universal framework for international cooperation. Its Charter offers almost unlimited scope to serve as a basis for renewing cooperation in the face of globalisation. The values, legitimacy, record and potential of the UN system makes it the self-evident central focus of renewing multilateralism. The UN is, however, in need of far-reaching systemic reform. All attempts to downplay the role of the UN must be resisted. Comprehensive reform on a sound financial base is the best way to strengthen the UN system. Any savings resulting from greater efficiency should be used to support UN development operations.

We need the United Nations to prevent conflict and bring security, to promote economic growth and integration, sustainable development, the eradication of poverty and the reduction of inequality, to work for a democratic world, where human rights and fundamental freedoms are respected, and to foster the development of, and respect for, international law. During the present General Assembly, nations must focus on agreeing upon and implementing the reform proposals presented by Secretary-General Kofi Annan.

*On the global scene*, instruments for more profound changes in the management of global affairs need to be elaborated. The Secretary-General has proposed devoting the General Assembly in the year 2000 to these perspectives. A "Millenium Assembly" could serve as a timely opportunity for Member States to set their objectives for the future. A nongovernmental sister meeting could inspire interaction with civic organisations from all over the world. More thought should be devoted to these and other proposals.

**Globalisation in itself** should not be blamed for the current situation or used as an excuse for the lack of political action; political leadership is now required. Open and imaginative minds are needed to face the new global, regional and national realities. Long held positions will have to be reconsidered, sharp priorities be set and difficult choices made. If the gap between the cooperation we have and the cooperation we need continues to widen, the progress we have made so far in multilateralism may in fact erode. If the gaps between the rich and the poor, the empowered and the powerless, and within and between countries should widen instead of narrow - how can common ground be found? History teaches us that we should know - and fear - the consequences.

The core task of international solidarity is to recognise the right of poor people to determine their future. With this right to self-determination and our support they can lift themselves out of poverty and degradation and help to create a world of dignity for everyone.

Let us therefore develop new and broad alliances, between governments and the whole of civil society; renew international solidarity and shape globalisation to become a process of inclusion that brings benefits to us all.

*Bogotá and Stockholm,*
*28 October 1997*

Pp: [signature]
**María Emma Mejía Vélez**

[signature]
**Pierre Schori**

## Note:

**Ms. María Emma Mejía Vélez**, *Colombia, is Minister for Foreign Affairs. At the seminar she was represented by Mr. Rodrigo Pardo, Ambassador of Colombia to the Republic of France.*

**Mr. Pierre Schori, Sweden**, *is Deputy Minister for Foreign Affairs and Minister for International Development Cooperation, Migration and Asylum Policy.*

***The seminar* "International Solidarity and Globalisation: In Search of New Strategies"** *was arranged by the Swedish Government and the Colombian Presidency of the Non-Aligned Movement and held in Stockholm, Sweden, October 27-28, 1997. The seminar brought together a total of 40 researchers, experts and politicians from all over the world and focused on socio-economic dimensions and democracy-related aspects of the globalisation process.*

*A report from the seminar will be available as from January 1998 and can be requested from Swedish embassies and delegations or directly from the Ministry for Foreign Affairs in Stockholm.*

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